
State: District of Columbia **Filing Company:** First Health Life & Health Insurance Company
TOI/Sub-TOI: MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010
Product Name: Medigap Filings- Coventry
Project Name/Number: AETNA-SENIOR/62.1/62.1

Filing at a Glance

Company: First Health Life & Health Insurance Company
Product Name: Medigap Filings- Coventry
State: District of Columbia
TOI: MS08I Individual Medicare Supplement - Standard Plans 2010
Sub-TOI: MS08I.012 Multi-Plan 2010
Filing Type: Rate
Date Submitted: 03/28/2014
SERFF Tr Num: FRCS-129471045
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num: 6203.1

Implementation: On Approval
Date Requested:
Author(s): Michael Cochran, Sheila Lawrence
Reviewer(s): Donghan Xu (primary), Alula Selassie
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State:	District of Columbia	Filing Company:	First Health Life & Health Insurance Company
TOI/Sub-TOI:	MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010		
Product Name:	Medigap Filings- Coventry		
Project Name/Number:	AETNA-SENIOR/62.1/62.1		

General Information

Project Name: AETNA-SENIOR/62.1
Project Number: 62.1
Requested Filing Mode: Review & Approval

Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:

Deemer Date:
Submitted By: Michael Cochran

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments: This was submitted to the domicile state on 03/19/2014.
Market Type: Individual
Individual Market Type:
Filing Status Changed: 04/04/2014
State Status Changed:
Created By: Michael Cochran
Corresponding Filing Tracking Number:

Filing Description:

We have been retained by First Health Life & Health Insurance Company to file the enclosed rates for approval in your state.

The company's group number is 1.

Enclosed are rates and actuarial that apply to the policies that are 2010 Individual Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation. These policies were developed to provide the Medicare supplement benefits required of standardized Plans A, B, F, G and N, respectively. All of these policies contain identical wording, except for the different standardized benefits applicable to each particular plan. These plans have been submitted individually under separate cover.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your jurisdiction.

If you have any questions or need additional information, please call toll-free 1-800-927-2730. Thank you for your assistance.

Company and Contact

Filing Contact Information

Michael Cochran, Compliance Specialist	michael.cochran@firstconsulting.com
1020 Central	800-927-2730 [Phone] 2756 [Ext]
Suite 201	816-391-2755 [FAX]
Kansas City, MO 64105	

Filing Company Information

(This filing was made by a third party - FC01)

First Health Life & Health Insurance Company	CoCode: 90328	State of Domicile: Texas
800 Crescent Centre Drive	Group Code: 1	Company Type: Life
Suite 200	Group Name: AETNA Group	State ID Number:
Franklin, TX 37067	FEIN Number: 38-2242132	
(804) 448-3025 ext. [Phone]		

State: District of Columbia**Filing Company:** First Health Life & Health Insurance Company**TOI/Sub-TOI:** MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010**Product Name:** Medigap Filings- Coventry**Project Name/Number:** AETNA-SENIOR/62.1/62.1

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	District of Columbia	Filing Company:	First Health Life & Health Insurance Company
TOI/Sub-TOI:	MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010		
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Rate Information

Rate data applies to filing.

Filing Method:	for Approval
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	N/A

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
First Health Life & Health Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State:	District of Columbia	Filing Company:	First Health Life & Health Insurance Company
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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rates	FHLEXCMS14A, FHLEXCMS14B, FHLEXCMS14F, FHLEXCMS14G, FHLEXCMS14 N	New		Rates.pdf,

First Health Life & Health Insurance Company

Exhibit A - Annual Non-Smoker Premiums

Individual Medicare Supplement 2010 Standardized Plans

Attained Age	Plan A		Plan B		Plan F		Plan G		Plan N	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
65	1,362	1,491	1,561	1,704	1,832	1,991	1,682	1,821	1,300	1,402
66	1,402	1,535	1,614	1,762	1,897	2,062	1,743	1,888	1,349	1,454
67	1,442	1,578	1,666	1,819	1,961	2,132	1,804	1,953	1,397	1,506
68	1,481	1,621	1,718	1,876	2,025	2,201	1,863	2,018	1,444	1,558
69	1,520	1,663	1,770	1,932	2,088	2,269	1,922	2,082	1,491	1,608
70	1,558	1,705	1,820	1,988	2,149	2,336	1,980	2,144	1,537	1,658
71	1,596	1,747	1,870	2,043	2,211	2,403	2,038	2,207	1,583	1,707
72	1,634	1,788	1,920	2,097	2,272	2,469	2,095	2,269	1,629	1,756
73	1,668	1,825	1,973	2,154	2,338	2,541	2,159	2,337	1,680	1,812
74	1,701	1,862	2,024	2,211	2,404	2,613	2,221	2,405	1,731	1,867
75	1,733	1,897	2,073	2,264	2,466	2,680	2,281	2,470	1,780	1,919
76	1,766	1,933	2,124	2,320	2,530	2,750	2,342	2,536	1,830	1,973
77	1,798	1,968	2,174	2,375	2,593	2,819	2,403	2,602	1,879	2,026
78	1,813	1,985	2,213	2,416	2,646	2,876	2,455	2,659	1,924	2,074
79	1,827	2,000	2,251	2,458	2,699	2,933	2,507	2,715	1,968	2,122
80	1,836	2,010	2,283	2,493	2,744	2,982	2,553	2,764	2,007	2,164
81	1,850	2,026	2,320	2,534	2,795	3,038	2,604	2,820	2,050	2,210
82	1,865	2,041	2,357	2,574	2,846	3,094	2,655	2,875	2,093	2,257
83	1,879	2,057	2,390	2,610	2,896	3,148	2,706	2,930	2,139	2,306
84	1,893	2,072	2,422	2,645	2,945	3,201	2,757	2,986	2,184	2,355
85	1,907	2,088	2,455	2,681	2,995	3,256	2,809	3,042	2,230	2,405
86	1,922	2,104	2,489	2,718	3,046	3,311	2,862	3,099	2,277	2,456
87	1,937	2,120	2,523	2,755	3,098	3,368	2,916	3,158	2,326	2,508
88	1,951	2,136	2,557	2,792	3,151	3,425	2,971	3,217	2,375	2,561
89	1,966	2,153	2,592	2,830	3,205	3,484	3,027	3,278	2,425	2,615
90+	1,981	2,169	2,627	2,869	3,260	3,543	3,084	3,340	2,477	2,670

Modal Factors: Semi-Annual: 0.5000 Quarterly: 0.2500 Monthly: 0.0833

The \$20 application fee is not included in the rates provided above.

Smoker premiums are determined by multiplying the premiums above by a factor of 1.10. Open enrollees and applicants enrolled during specified guarantee issue periods receive the non-smoker rates.

First Health Life & Health Insurance Company

Exhibit B - Anticipated Durational Loss Ratios

2010 Standardized Individual Medicare Supplement Plans

<u>Policy Year</u>	<u>Loss Ratio</u>
1	80%
2	80%
3	81%
4	81%
5	82%
6	82%
7	82%
8	83%
9	83%
10	84%
11	85%
12	85%
13	86%
14	86%
15	87%
16	87%
17	88%
18	88%
19	88%
20	89%

State:	District of Columbia	Filing Company:	First Health Life & Health Insurance Company
TOI/Sub-TOI:	MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010		
Product Name:	Medigap Filings- Coventry		
Project Name/Number:	AETNA-SENIOR/62.1/62.1		

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC Rates.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	Authorization Letter - FHLH.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC FHLH Actuarial Memo.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	See Actuarial Memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

State:	District of Columbia	Filing Company:	First Health Life & Health Insurance Company
TOI/Sub-TOI:	MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010		
Product Name:	Medigap Filings- Coventry		
Project Name/Number:	AETNA-SENIOR/62.1/62.1		

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	



FIRST CONSULTING
& Administration, Inc.

March 28, 2014

Government of the District of Columbia
Department of Insurance and Securities Regulation
Insurance Products Division
810 First Street, N.E., Suite 701
Washington, D.C. 20002

RATE FILING:

RE: First Health Life & Health Insurance Company
NAIC # 90328 FEIN # 38-2242132
Rate: Rates for FHLEXCMS14A, et al
Our File Number: 6203.1

Dear Sir or Madam:

We have been retained by First Health Life & Health Insurance Company to file the enclosed rates for approval in your state.

We enclose the following for your consideration:

- Cover Letter
- Third party authorization
- Actuarial memorandum and rates

The company's group number is 1.

Enclosed are rates and actuarial that apply to the policies that are 2010 Individual Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation. These policies were developed to provide the Medicare supplement benefits required of standardized Plans A, B, F, G and N, respectively. All of these policies contain identical wording, except for the different standardized benefits applicable to each particular plan. These plans have been submitted individually under separate cover.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your jurisdiction.

If you have any questions or need additional information, please call toll-free 1-800-927-2730. Thank you for your assistance.

Sincerely,

FIRST CONSULTING & ADMINISTRATION, INC.

A handwritten signature in black ink, appearing to read "Michael Cochran". The signature is fluid and cursive, with the first name "Michael" and last name "Cochran" clearly distinguishable.

Michael Cochran
Compliance Specialist
E-mail: michael.cochran@firstconsulting.com
Extension: 1212

Enclosures

Aetna Health and Life Insurance Company
Aetna Life Insurance Company
American Continental Insurance Company
Continental Life Insurance Company of Brentwood, Tennessee
Aetna Companies

Genworth Life Insurance Company
Genworth Life and Annuity Insurance Company

Genworth Financial Companies; Administered by Aetna Life Insurance Company and its affiliates

800 Crescent Centre Dr.
Suite 200
Franklin, TN 37067
800 264.4000
aetnaseniorproducts.com

February 28, 2014

First Consulting & Administration, Inc.
1020 Central, Suite 201
Kansas City, MO 64105-1670

RE: First Health Life & Health Insurance Company
NAIC Code: 90328

Please accept this letter as authorization from First Health Life & Health Insurance Company for First Consulting & Administration, Inc. to file any and all policy forms and/or rates and marketing materials and to respond to any correspondence received in response to these filings as referenced in the corresponding SERFF filing on behalf of First Health Life & Health Insurance Company.

This authorization is effective from the date of this letter through February 28, 2015.

Sincerely,



Mary Ann Pyle
Assistant Vice President
First Health Life & Health Insurance Company

First Health Life & Health Insurance Company
2010 Standardized Individual Medicare Supplement Plans A, B, F, G, and N
Filing of Initial Proposed Premium Rates

Actuarial Memorandum

1) Purpose

This actuarial memorandum provides the basis for the development of initial premium rates for standardized individual Medicare Supplement plans A, B, F, G, and N.

2) Description of Benefits

These plans are 2010 Individual Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation.

3) Renewal Provisions

These policy forms are guaranteed renewable.

4) Marketing Approach

The marketing method for these plans will be a mix of agent sold and direct to consumer.

5) Underwriting Method and Pre-Existing Conditions Exclusion

Simplified medical underwriting will be utilized only for individuals that apply outside of their open enrollment period or a specified guarantee issue period. These plans do not have pre-existing conditions exclusions.

6) Issue Age Limits

These policy forms will be available to qualifying applicants age 65 and over.

7) Premium Basis and Rating Classes

Premiums are based on the policyholder's gender and attained age. Smoker/non-smoker rating classes are also used, but all applicants in their open enrollment period or a specified guarantee issue period will receive non-smoker rates

First Health Life & Health Insurance Company
2010 Standardized Individual Medicare Supplement Plans A, B, F, G, and N
Filing of Initial Proposed Premium Rates

8) Premium Development Methodology

A policy year pricing model was used to calculate the gross annual premiums where the calculations were based on the present values of premiums, claims, expenses, commissions, reserves, income on reserves, taxes, and profit. The input assumptions for the model are based on reasonable values and are set forth in the following:

- i) **Morbidity:** The expected claim costs were based on Milliman USA, Inc. Health Cost Guidelines for Ages 65 and Over.
- ii) **Mortality and Lapse Rates:** Mortality rates are based on the 2001 Commissioners Standard Ordinary Table. The voluntary annual lapse rates for these policies are assumed to be:

Policy Year(s)	Lapse Rate
1-2	9%
3	11%
4	10%
5	9%
6	8%
7+	7%

- iii) **Experience Basis for Future Rate Adjustments:** Future rate adjustments will be based on a review of actual experience on these plans by state, to the extent credible. Nationwide experience and other relevant experience will also be considered to supplement such information. Trends and other variables affecting experience will be recognized in calculating future rate adjustments. A justification of the rates and proposed rate changes will be filed for approval on an annual basis.
- iv) **Allowance for Expenses:** Expenses excluding taxes and profit are assumed to average 9% of premium for this block of business.
- v) **Modal Premium Distribution**

Mode	Distribution
Annual	6%
Semi-Annual	1%
Quarterly	4%
Monthly	89%

- vi) **Discount Rate:** 5% for all years

First Health Life & Health Insurance Company
2010 Standardized Individual Medicare Supplement Plans A, B, F, G, and N
Filing of Initial Proposed Premium Rates

vii) Issue Age Distribution of Business

Issue Age	Distribution
65	8%
66-69	16%
70-74	25%
75-79	21%
80+	30%

- viii) Durational Loss Ratios:** The minimum required loss ratio over the lifetime of the policy form is assumed to be 65%. The anticipated loss ratios by policy duration are provided in the attached Exhibit B.

9) Rating Period

The premiums shown in Exhibit A are expected to apply for 12 months after implementation. It is anticipated that the rates will be updated annually for benefit changes, trend, and experience adjustments.

10) Annual Average Premium

The annual average premiums are expected to be as follows:

Plan	Average Annual Premium
A	\$1,754
B	\$2,116
F	\$2,517
G	\$2,328
N	\$1,816

First Health Life & Health Insurance Company
2010 Standardized Individual Medicare Supplement Plans A, B, F, G, and N
Filing of Initial Proposed Premium Rates

11) Actuarial Certification

I certify that, to the best of my knowledge and judgment that premiums charged for these plans are reasonable in relation to the benefits provided; the assumptions presented are a reasonable value for each assumption and are consistent with the Company's business plan at the time of filing; the anticipated lifetime loss ratio, future loss ratios, and third year loss ratio all exceed the applicable loss ratio requirement; the filing was prepared based on the current standards of practice promulgated by the Actuarial Standards board including the quality data standard of practice; and the filing is in compliance with applicable state laws and regulations.



Jason Cafaro, FSA, MAAA

12/4/2013
Date

First Health Life & Health Insurance Company

Exhibit A - Annual Non-Smoker Premiums

Individual Medicare Supplement 2010 Standardized Plans

Attained Age	Plan A		Plan B		Plan F		Plan G		Plan N	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
65	1,362	1,491	1,561	1,704	1,832	1,991	1,682	1,821	1,300	1,402
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Modal Factors: Semi-Annual: 0.5000

Quarterly: 0.2500

Monthly: 0.0833

The \$20 application fee is not included in the rates provided above.

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First Health Life & Health Insurance Company

Exhibit B - Anticipated Durational Loss Ratios

2010 Standardized Individual Medicare Supplement Plans

<u>Policy Year</u>	<u>Loss Ratio</u>
1	80%
2	80%
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4	81%
5	82%
6	82%
7	82%
8	83%
9	83%
10	84%
11	85%
12	85%
13	86%
14	86%
15	87%
16	87%
17	88%
18	88%
19	88%
20	89%

State:	District of Columbia	Filing Company:	First Health Life & Health Insurance Company
TOI/Sub-TOI:	MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010		
Product Name:	Medigap Filings- Coventry		
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Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
03/25/2014		Supporting Document	Certificate of Authority to File	04/04/2014	Auth 2014.pdf (Superceded)



**American Continental Insurance Company
Continental Life Insurance Company
of Brentwood, Tennessee**

Aetna Companies

800 Crescent Centre Dr.
Suite 200
Franklin, TN 37067
800 264.4000
aetnaseniorproducts.com

February 5, 2014

To: The Insurance Commissioner

Authorization

This letter, or a copy thereof, will authorize the consulting firm of First Consulting & Administration, Inc., Kansas City, Missouri, to represent this Company in matters before the Insurance Department.

This Authorization shall be valid until revoked by us.

Continental Life Insurance Company of Brentwood, Tennessee

By:


Steven L. Hendrich

Title: Senior Vice President